

The Food, Conservation, and Energy Act of 2008

Title XIII – Commodity Exchange Act Reauthorization

- **CONTINUES AUTHORITY OF THE COMMODITY FUTURES TRADING COMMISSION:** The bill renews the authority of and the authorization for appropriations for the Commodity Futures Trading Commission (CFTC) to continue operating through 2013. The CFTC needs to be periodically reauthorized.
- **LIMITS SPECULATION AND INCREASES TRANSPARENCY IN ENERGY MARKETS:** Since 2002, federal law has exempted certain electronic energy markets from direct government regulation. These markets are known as Exempt Commercial Markets (ECMs). This bill increases federal oversight and regulation of these markets to better detect and prevent manipulation that might affect the prices consumers, farmers, and businesses pay for energy.
- **PROTECTS CONSUMERS FROM FOREIGN CURRENCY FRAUD:** Recent court decisions have said the CFTC does not have enforcement authority over “rolling spot” contracts in foreign currency sold to consumers. These contracts are sold to unsuspecting consumers as a mode of speculation on price changes in foreign currency. The bill clarifies that the CFTC has authority regulate these contracts and prosecute fraud involving these contracts.
- **FIGHTS FRAUD ON ELECTRONIC MARKETS:** This bill expands the CFTC’s anti-fraud authority over so-called principal-to-principal transactions. Historically, the CFTC’s fraud authority applied only to transactions that were conducted through a third party such as a futures dealer. However, electronic transactions, where there often is no third party, have come to dominate futures markets. This bill expands the CFTC’s anti-fraud authority to cover these direct transactions as well as transactions conducted through a third party.
- **DETERS UNLAWFUL MANIPULATION OF MARKETS:** The bill expands the civil and criminal penalties for manipulating or attempting to manipulate futures markets.